
Going Beyond “Administrative Efficiency”: The Budget Crisis in the State of Washington

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The state of Washington has a biennial budget process. FY02 was an “off” year for the biennial budget, but as in other states due to a declining economy accelerated by the events of September 11, Washington lawmakers were faced with a revenue stream that did not match their planned expenditure assumptions. The problem appeared to be in the \$700 million range, but it grew to a \$1.5 billion shortfall by the time the legislature began its session.

The state’s budget problem was exacerbated by the events of September 11, but there were other factors at play as well. Prison and community corrections case-loads were rising at levels beyond previous budget assumptions, and medical costs were increasing for all state agencies. The budget problem would have to be faced in this off-year session if the books were to balance by the end of the biennium.

The Washington State Department of Corrections (WDOC) is an integrated agency, responsible for both of the primary correctional functions, prisons and community corrections. Our total budget for FY02 was just over \$0.5 billion.

In the face of the overall state budget crisis, all general fund state agencies were asked to develop plans for a 15% across-the-board cut. For the WDOC, the target amount for the reduction exercise was \$78.8 million.

Implementing Efficiencies Not Enough

Like many other jurisdictions, the WDOC has been through years of identifying administrative efficiencies when budget reduction time rolled around. We have found those efficiencies and implemented them, sometimes with painful results as we tried to “do more with less.” This time, we knew we could not come up with nearly \$79 million in efficiencies. We had been to that well one too many times before. We would have to take a different approach.

The department’s extended executive management team met, discussed, and articulated our core services. We decided that whatever we proposed, those core services would have to remain intact, with sufficient resources to continue to perform them at a level consistent with good business practices. We invited the governor’s senior policy advisor and budget advisor for corrections to join us in these discussions, and they did. We all believed that we could not in good conscience propose that such a whopping budget reduction be taken in administrative efficiencies alone. In order to achieve a nearly \$79 million reduction, fundamental service delivery would have to change.

Guiding Principles

As a result of this exercise the WDOC adopted four principles to help guide our development of a plan to reach our targeted budget reduction:

- ◆ A priority be given to incarceration of violent offenders in safe and secure environments;
- ◆ A priority be given to the management of high-risk offenders in institutions and in the community;
- ◆ A priority be given to evidence-based interventions that mitigate the risk of re-offense; and
- ◆ Reductions do not shift the burden of incarceration or supervision to local government.

After we went through the process of brainstorming ideas to consider for possible budget reductions, we viewed each suggestion through the lens of these four principles to determine whether or not the idea would remain on the table for consideration. Because our ideas often addressed the “size of the pie” the agency would be expected to serve, our (very patient) budget staff went through innumerable calculations for us as we debated, refined, and worked the possibilities.

In the end, our plan fell into three categories—1) administrative efficiencies; 2) changes in the number of offenders the state would incarcerate; and 3) changes in the number of offenders we would supervise in the community.

Administrative Efficiencies. The final proposal for administrative efficiency totaled \$4 million in reductions and encompassed the following areas:

- ◆ Changing prison food service staffing levels;
- ◆ Eliminating a prison mental health contract;
- ◆ Consolidating prison education contracts from 12 to 1;
- ◆ Changing the staffing in our work release facilities to allow for more privatization;
- ◆ Reducing the number of pre-sentence investigations to only those required by law; and
- ◆ Reducing staff training (one of our worst ideas, but necessary to achieve the \$79 million total).

Changes in Number of Incarcerated Offenders. To reduce the number of offenders the state incarcerates, we proposed a variety of choices for lawmakers to consider, totaling just over \$50 million in annual budget reductions. These options included:

- ◆ Reducing the sentence length of certain non-violent offenses by changing the state's determinate sentencing grid;
- ◆ Changing the "good time" law to increase what could be earned by non-violent offenders from 33.3% to 50%; and
- ◆ Releasing early from prison certain low-risk offenders.

If these ideas were adopted, the prison ADP would drop by nearly 2,000 offenders.

Community Corrections Changes. For community corrections, we proposed reducing the number of offenders by redefining who the agency would supervise, for a savings of approximately \$24 million. In order of priority, we suggested eliminating community supervision for:

- ◆ Monetary-only offenders;
- ◆ Low-risk offenders;
- ◆ Medium-low-risk offenders; and
- ◆ Any offenders who had not been to prison (in other words, the elimination of probation).

It was this last proposal that most concerned us, because it clearly violated our principle of continuing to provide supervision of high-risk offenders in the community. As we prioritized our total, this item was clearly our last choice (right after our other stupid idea of reducing training) and was clearly highlighted as in violation of the principles we used to guide this overall activity. Nevertheless, we could find no other way to achieve our targeted total but to carry this idea forward.

The result was not a pretty list by any means, but at least it was one that carried some internal logic and would highlight for the policymakers the tough choices they would have to make if they actually expected to achieve the desired reduction in the state's corrections budget.

What Actually Happened

In the end, much of the above did not even make it into the governor's budget proposal. However, the process we went through was so transparent (including the involvement of staff from the governor's office) that our legislative oversight committees were very aware of the kind of decisions that would have to be made

to trim \$79 million from the WDOC's budget. I believe that the exercise we went through and the public discussions that ensued were important in creating an understanding of the dire straits of the state's budget. Our approach of re-articulating our core services and then presenting how they might be modified on the basis of risk created the opportunity for public officials and the public to understand better what we are asked to do.

I recall going to a hearing in December 2001, just before our legislative session was to commence, to explain to the Senate Law and Justice Committee what it would mean for us to take \$79 million worth of reductions. Going into the hearing I did not know what to expect. Would we be blasted for even suggesting that we must reduce the "size of the pie"? Would the anti-government forces find a way to blame us bureaucrats for the state's budget problem?

I am happy to say nothing of the kind happened. From that first opening hearing of the session, legislators were, for the most part, genuinely and sincerely focused on the true nature of the problem and understood that more "efficiencies" were not going to be the answer.

That is not to say the pressure to continue to find such "efficiencies" has gone or will be going away any time soon. The powerful chair of one of our Senate oversight committees proposed during the last session that ALL employees of the department either carry a portion of a caseload or work as a correctional officer. In working with the senator we were successful in explaining that not much of a meaningful budget reduction would be achieved if such a proposal were implemented, but his idea was a strong statement about where the agency priorities need to be. I would not be surprised to see a related line of thought pursued in the next session.

Few Sentencing Changes Adopted

In the end, the agency received only about a \$7 million budget reduction. Most of the administrative efficiency ideas for cuts were taken, but very few of the sentencing changes were adopted. There was some reduction in drug sentences that included a trade-off for more community treatment in exchange for less incarceration. We believe this is good public policy. We hope that it will chart the course for discussions about a more rational approach to criminal sentencing in the future. It is clear that the politics of appearing soft on crime (even if the aim is to be "smart") remain a difficult challenge for most elected officials.

Aside from that \$7 million reduction, the final budget that passed the legislature actually contained an increase in the agency's budget. An increase to the prison population was funded, as was the increased caseload in community corrections funding. However, the growth in the community corrections population required more than 100 new positions in order to keep pace with the forecasted growth in community corrections.

The state of Washington is very lucky that over the years we have developed, with our budget writers, agreed-upon formulas that guide our funding levels, whether the forecasts go up or down. Should those formulas and agreements be abandoned at some point in the face of mounting budget pressure, it will be a sign of how bad things have gotten. As it stands today, though, we take these increases in budget in such difficult times to be an affirmation and vote of confidence by our elected officials—a sign that the citizens of the state of Washington value the work done by our staff.

What's Ahead

As I write this article, we prepare for another round of cuts. We expect the same kind of revenue shortfall to impact the development of our FY 04-05 biennial budget and have already begun the brainstorming process. We have reaffirmed that the four principles we used the last time around will guide us again.

The truly difficult choices are left to the elected officials. Confronted with the need to make cuts somewhere within a government that has already plucked the low-hanging fruit of “administrative efficiency,” there are no easy choices. The needs of children, the poor, the elderly, and those who cannot help themselves are pitted against the ever-increasing demand for public safety. It is our difficult assignment to articulate the public value of the services we provide, recognizing the competition that exists for a resource base that continues to shrink. ■

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